

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
ETS PAYPHONES INC.)
DONIS BURL MCWATERS) ADMINISTRATIVE ORDER
HAROLD ROGER UNDERWOOD) NO.CD-2001-0009
GALEN W. TERRY)
SAMUEL JOHN WEHBY)

RESPONDENTS)

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, and having confirmed information of the offer and or sale of securities into, within, or from the State of Alabama, has determined as follows:

RESPONDENTS

1. ETS PAYPHONES INC. ("RESPONDENT ETS"), is represented to be an pay telephone company with a business address of 1490 Westfork Drive, Suite G, Lithia Springs, GA 30122.
2. DONIS BURL MCWATERS ("RESPONDENT MCWATERS"), is represented to be an agent of RESPONDENT ETS with a business address of 124 Oakridge Drive, Oneonta, AL 35121.
3. HAROLD ROGER UNDERWOOD ("RESPONDENT UNDERWOOD"), is represented to be an agent of RESPONDENT ETS with a business address of 3308 Circle Hill Road, Birmingham, AL 35243.

4. GALEN W. TERRY ("RESPONDENT TERRY"), is represented to be an agent of RESPONDENT ETS with a business address of P.O. Box 1306, Athens, AL 35612.

5. SAMUEL JOHN WEHBY ("RESPONDENT WEHBY"), is represented to be an agent of RESPONDENT ETS with a business address of 546 Bristol Lane, Birmingham, AL 35226.

STATEMENT OF FACTS

6. The Commission is in receipt of information that, RESPONDENTS MCWATERS, UNDERWOOD, TERRY, and WEHBY, acting as agents of RESPONDENT ETS, engaged in the offer and/or sale of investment contracts involving the payphone program of RESPONDENT ETS to Alabama residents, that were neither registered nor exempt from registration in the state of Alabama.

7. Review of the files of the Commission, disclosed no record of registration for RESPONDENTS ETS, MCWATERS, UNDERWOOD, TERRY, or WEHBY as securities dealers or agents in the state of Alabama.

8. Review of the files of the Commission, disclosed no record of registration, nor exemption from registration, of the securities of RESPONDENT ETS.

CONCLUSIONS OF LAW

9. RESPONDENTS MCWATERS, UNDERWOOD, TERRY, and WEHBY, are not registered as securities dealers or agents in the State of Alabama.

10. Transacting business in the State of Alabama as a securities dealer or agent while unregistered is a violation of § 8-6-3(a), Code of Alabama, 1975.

11. The securities of RESPONDENT ETS offered by RESPONDENTS MCWATERS, UNDERWOOD, TERRY, and WEHBY, as set forth in paragraph 6, above, are not registered, nor exempt from registration in the state of Alabama.

12. The sale of unregistered, non-exempt securities into, within, or from the state of Alabama is a violation of § 8-6-4, Code of Alabama, 1975.

This order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies as are available to it under the Alabama Securities Act.

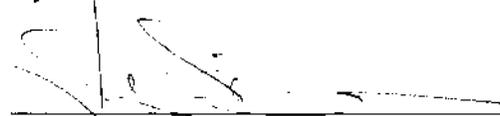
This order is appropriate in the public interest for the protection of investors and consistent with the purpose of the Alabama Securities Act.

ACCORDINGLY, IT IS HEREBY ORDERED that, RESPONDENTS ETS PAYPHONES INC., DONIS BURL MCWATERS, HAROLD ROGER UNDERWOOD, GALEN W. TERRY, and SAMUEL JOHN WEHBY, immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the State of Alabama.

Entered at Montgomery, Alabama, the 2nd day of February, 2001.



ALABAMA SECURITIES COMMISSION
770 Washington Street, Suite 570
Montgomery, Alabama 36130-4700
By:



JOSEPH P. BORG
Director